

Answers of Real Time Staffing Services, Inc. d/b/a SelectRemedy (4/22/13)

1. How did Select Remedy start working with raiteros, i.e. van drivers? You mention in the statement that the situation existed with other staffing agencies before Select entered the market. So how did Select find out about it? Did the van drivers come to them and offer their services?

A: By the time SelectRemedy entered the market in the greater Chicagoland area in 2007, private van drivers were already well established in the market. If Select's associates had previously been using private van drivers before Select came into the Chicagoland area, many of those associates generally continued to use the same van drivers after Select came into the area.

2. Why doesn't Select have an office in Little Village?

A: SelectRemedy can afford to have only a limited number of offices. Where we maintain offices depends on a number of factors and having to balance the interests of a number of stakeholders, including wanting to be near our clients, wanting to be convenient to a reservoir of potential job applicants, and needing to take into account the costs of having to support too many offices.

3. The workers say they get the jobs through the van drivers and have almost no contact with Select. For example, many workers and van drivers told us the van drivers advertise the jobs and recruit the workers. The workers say that after applying, they don't receive a call from the temp agency but instead from the van driver, telling them if work is available and when and where to show up. Why not hire workers directly?

A: It is SelectRemedy operational policy to hire its associates directly. In order to receive a paycheck from SelectRemedy, an associate must complete an employment application, either online or in person, and provide the completed application to us. Select recruits from a number of sources including but not limited to advertisements, client referrals, existing associate referrals and other sources. Regarding the assignment of work, SelectRemedy communicates directly with the associates. For some time now SelectRemedy has not contacted private van drivers regarding the transportation of associates to the job site.

4. With the van drivers, and not Select, calling the workers about work each night, how much choice do the workers have over transportation?

A: As part of SelectRemedy's orientation process for new associates, we encourage associates to contact us directly when they are available for work so that we can schedule them for the job location that works best for them.

SelectRemedy does not require its associates to take any particular form of transportation to the job site. Nor does SelectRemedy prohibit its associates from taking or utilizing any particular form of transportation, whether it be public or private transportation. What SelectRemedy does require is that its associates arrive on time and willing, ready, and able to work as scheduled. How an individual associate arrives and leaves the worksite in accomplishing that is a personal decision of the associate.

Moreover, SelectRemedy has over 100 clients in the Chicagoland area. Some job sites are conveniently located to bus or train routes, and some are not. Our associates always have the option to request a different job assignment at any time, which may be more compatible with their transportation needs. If an associate is unhappy with using a particular private van driver, the associate is free to request another assignment. The choice is up to the individual associate.

5. We have heard from many workers and van drivers that at least until recently, the van drivers would pick up the checks from Select at the end of the week and bring them to a check-cashing store in Little Village. The workers would then receive their paychecks by going to the check-cashing store, which would deduct \$40 for the ride and \$3-\$4 for cashing the check. Why pay the workers this way? Why does/did Select give the checks to the van drivers?

A: SelectRemedy is sensitive to how its associates get paid. In order to maintain the safety and integrity of the system, we offer several ways for associates to receive their weekly pay, including direct deposit, the use of a global cash card, and paper checks. The method of payment is solely up to the associates. For those associates who decide to be paid by check, they have the option of having the check mailed to them, picking up the check from the SelectRemedy office, or having someone pick up the check for them with written authorization from the associate. It is up to the associate to decide whether to deposit the check into a bank or checking account, or instead to have the check cashed. We do not dictate to our associates the form in which they are to receive their pay, where they should go to get their checks cashed, or how much they should pay for their transportation to work through either public or private transportation.

6. Does Select earn any commission from or pay anything to the check-cashing stores for allowing the workers to pick up their checks there?

A: No.

7. Do the van drivers receive any payment from Select or reimbursement for gas and other expenses?

A: No.

8. Do you keep on hand the insurance and license/registration information for the van drivers? What sort of background checks do you do on the drivers?

A: No. SelectRemedy has no relationship with the private van drivers who provide transportation to the job site for some of our associates. We do not have any insurance or license information on these drivers any more than we would have that information for the drivers employed by the Chicago Transit Authority or any other public transportation service. We do not do background checks on any private van drivers for the same reason.

9. What benefit do the van drivers provide Select and the other temp agencies in the Chicago area?

A: As a temporary staffing agency, our associates are our most valuable asset. Like any other asset, we are dedicated to ensuring that their interests are protected and that they stand ready to provide the best possible service to our clients. We could not stay in business without our associates being satisfied and productive employees. There are a myriad of reasons why some of them seek out assistance in getting to the job sites where they are scheduled to work. Any provider of transportation services to our associates, public or private, benefits us by helping our associates get to work.

10. Many workers complained about missing checks. They said when they complain, they often get caught in the middle, told by Select to call the van driver and told by the van driver to call Select. Why does this happen? What happens to that money that was billed but not paid?

A: SelectRemedy has a clear and simple policy in place. The associate is required to bring to our attention any lost, stolen or "not received" check. We will then review our records to see if the check has been cashed. If it has not been cashed, we will follow our stop-payment process for the lost check and re-issue the check in expeditious fashion. We would not direct associates to speak with a van driver.

11. One overall question we're wondering is whether the deductions (\$40 a week for transportation, \$5 for applying and \$3-\$4 for getting the check) as well as unpaid waiting cause the workers to earn less than minimum wage?

A: SelectRemedy associates all earn at least the minimum wage. Unlike other employers, including state, local and the federal government, SelectRemedy does not participate in any program that takes personal deductions for transportation, child care or other amenities. SelectRemedy does not require its associates to take any particular form of transportation to the job site. Nor does SelectRemedy prohibit its associates from taking or utilizing any particular form of transportation. As to the use of private van drivers, SelectRemedy is not involved in that process. Just like the CTA, the Chicago Transit Authority, SelectRemedy has no control over our associates' transportation to and from the job site.

Under the Fair Labor Standards Act, the cost of transportation to the job site, whether it is for public transportation, the cost of gas and maintenance on the associate's personal automobile, or any other cost, is not a deduction from wages. And the time spent commuting to the job site and waiting to start work is not compensable time, because it is preliminary to the start of the work day.

12. We've heard that Select recently stopped giving checks to the van drivers and began calling workers on its own. What prompted the changes?

A: SelectRemedy has always had in place policies and protocols designed to protect the integrity of our payroll. Where there have occurred instances in which our well-established policies and protocols were not being followed, the

appropriate corrective action was taken. For some time now, we have instructed the managers who work at our branch offices that they are not to have direct contact with private van drivers, to reaffirm our policy that SelectRemedy is to have no involvement in how our associates decide to get to work each day.

13. The statement mentioned that Select has taken and will continue to take prompt corrective action as warranted? Can you give us examples of action taken in the past when you've come across practices that haven't fit with your standards?

A: Any time that a possible violation of one of our policies comes to our attention, SelectRemedy investigates the situation. For example, for some time now, we have instructed our managers who work at our branch offices that they are not to have direct contact with private van drivers and that the branch offices must follow proper protocols in the distribution of checks.

14. Business strategy/history of the company. Why do client companies use temp agencies and why would they use Select Remedy over another temp agency?

A: [TO BE SUPPLIED LATER]

15. Select Remedy has a sign next to the punch clock at Ty that warns employees not to punch in until 5:55 a.m. and says that measures will be taken against anyone who punches in beforehand. The workers' main contact, Rigo, told them to arrive at the corner in Little Village at 4:30 a.m. And after being dropped off, they signed in with a Select Remedy employee at 5:35 a.m. One question I've been asking people that I want to ask Select also: Should the employees be compensated for the time once they show up to the corner, after they sign it, or only until the punch in? Why or why not?

A: SelectRemedy does not dictate how our associates choose to travel to and from the job site, what time they leave for work, or what time what specific time they arrive. What SelectRemedy does require is that its associates arrive to work on time and willing, ready and able to work as scheduled. This means they should be at work in time to start working when their shift starts.

We have no control over the schedules of private van drivers, any more than we have control over the CTA bus and train schedules. SelectRemedy

complies with the Fair Labor Standards Act and all other applicable wage and hour laws. Some of our associates have short commutes to work and some have longer commutes. Under the law, commuting time is not compensable, because it is preliminary to the start of the work day.

At the Ty facility, the shift starts at 6:00 a.m. We do not want our associates to punch in earlier than 5:55, which is five minutes before the shift starts. If any of our associates arrive early and want to wait inside the building, they are required to sign in for security reasons. This has nothing to do with timekeeping or the payroll system.

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